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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

RANDOLPH BONNIST, Individually and On Behalf
of All Others Similarly Situated,

Plaintiff,

- against -

UBS AG, UBS SECURITIES LLC and UBS
FINANCIAL SERVICES, INC.,

Defendants.

CASE NO: 08-CV-04352 (unassigned)

NOTICE OF RELATED CASE

TO THE CLERK OF THE COURT AND ALL PARTIES OF RECORD:

PLEASE TAKE NOTICE that pursuant to Rule 1.6(a) of the Local Rules of the United States District Courts for the Southern and Eastern Districts of New York, counsel for defendants UBS Securities LLC and UBS Financial Services, Inc. brings to the attention of the Court facts showing that a new case presently unassigned, entitled *Bonnist v. UBS AG, et al.*, Case No. 1:08-cv-04352, is related to three previously-filed cases assigned to the Honorable Lawrence M. McKenna, entitled *Kassover v. UBS AG, et al.*, Case No. 1:08-cv-02753, *Chandler v. UBS AG, et al.*, Case No. 1:08-cv-02967, and *Sanchez v. UBS AG, et al.*, Case No. 1:08-cv-03082.

Defendants believe that it would be appropriate to transfer the *Bonnist* case to the docket of Judge McKenna because, in light of the substantially related subject matter of these cases, it should be heard by the same judge in order to avoid unnecessary duplication of judicial effort. In fact, recognizing the practicality of having the same judge hear these matters, the Clerk recently reassigned both the *Chandler* and *Sanchez* actions to Judge McKenna.

In the first-filed *Kassover* case pending before Judge McKenna, on March 14, 2008, plaintiff Ronald D. Kassover filed a purported class action complaint, allegedly on behalf of all clients of defendants UBS AG and UBS Financial Services Inc. who had cash invested into auction rate securities ("ARS") between March 14, 2002, and March 14, 2008. In the second-filed *Chandler* case, on March 21, 2008, plaintiffs David and Shelly Chandler filed a purported class action complaint, allegedly on behalf of all persons who purchased and continue to hold ARS offered for sale by defendants UBS AG, UBS Securities LLC, and UBS Financial Services, Inc. between March 19, 2003, and February 13, 2008. In the third-filed case, on March 26, 2008, plaintiff Ricardo L. Sanchez filed a purported class action complaint, allegedly on behalf of all persons who purchased and/or repurchased ARS from defendants UBS AG, UBS Securities LLC, and UBS Financial Services, Inc. between March 21, 2003, and February 13, 2008. In the

fourth-filed case, on May 8, 2008, plaintiff Randolph Bonnist filed a purported class action complaint, allegedly on behalf of all persons and entities who purchased ARS from defendants UBS AG, UBS Securities LLC, and UBS Financial Services, Inc. between May 8, 2003, and February 13, 2008, and continued to hold such ARS as of February 13, 2008. Thus, the purported class period alleged in the first-filed *Kassover* complaint subsumes the shorter class periods alleged by the *Chandler*, *Sanchez*, and *Bonnist* plaintiffs.

The later-filed *Bonnist* complaint also echoes the generalized allegations first made in *Kassover*, and reiterated in *Chandler* and *Sanchez*, concerning representations supposedly made by the defendants about ARS, and the results of ARS auctions in February 2008. All four complaints, for example, are based on general contentions that the defendants misled investors by allegedly marketing ARS as cash equivalents or cash alternatives without sufficiently disclosing the risks associated with holding ARS. All four complaints also include allegations that defendants acted improperly in their participation and/or their failure to participate in ARS auctions beginning in February 2008. Ultimately, all four complaints are based on allegations that, in February 2008, the failure of ARS auctions left holders of ARS with illiquid investments. Thus, based on the same alleged conduct set forth in the original *Kassover* complaint and the later-filed *Chandler* and *Sanchez* complaints, the plaintiff in *Bonnist* seeks to assert claims under the federal securities laws.

Defendants believe that the transfer of the *Bonnist* case to Judge McKenna (who presides over the first-filed *Kassover* action and the later-filed *Chandler* and *Sanchez* actions), would likely prove to be efficient and practical. For example, Judge McKenna has already held status conferences in the *Kassover* action and in the *Chandler* and *Sanchez* actions. Moreover, Judge McKenna has also ordered plaintiffs in *Chandler* and *Sanchez* to submit an order of

consolidation for those actions because they assert substantially similar claims under the federal securities laws. Having a single judge preside over these matters should prove more efficient for both the Court and the parties.

Dated: New York, New York
May 15, 2008

PAUL, HASTINGS, JANOFSKY & WALKER LLP

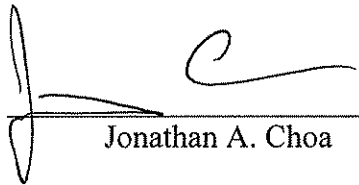
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CERTIFICATE OF SERVICE

I, Jonathan A. Choa, a member of the bar of this Court and associated with the firm of Paul, Hastings, Janofsky & Walker LLP do hereby certify that on May 15, 2008, a true and correct copy of the foregoing Notice of Related Case was filed electronically and served by mail on anyone unable to accept electronic filing. Notice of this filing will be sent by e-mail to all parties by operation of the Court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the notice of electronic filing. Parties may access this filing through the Court's CM/ECF System.



Jonathan A. Choa